GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2968
ANSWERED ON:06.12.2007
SETTIN G UP OF INSTITUTIONAL MECHANISM TO PROCURE INTERNATIONAL ENERGY DEALS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has decided to set up an institutional mechanism to improve coordination between the Ministry of External Affairs and the Ministry of Petroleum and Natural Gas to procure international energy deals;

(b) if so, the details thereof;

(c) whether the China is aggressively tapping markets in Latin America and Africa and the recent loss of gas blocks in Myanmar to China, the Government has decided to make a concerted and coordinated effort to help private and public companies to bag international deals; and

(d) if so, the extent to which the proposed mechanism will help procuring the international energy deals by Indian companies?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (d) : The institutional mechanism between Ministry of External Affairs and Ministry of Petroleum and Natural Gas is in the form of Inter- Ministerial consultations as well as through Empowered Committee of Secretaries (ECS) for acquisition of high value equity oil stakes abroad.
The composition of ECS to consider and recommend directly to Cabinet Committee of Economic Affairs (CCEA) in regard to project involving financial decisions exceeding Rs. 300 crore, is as follows:
Secretary (P&NG) − Chairman Secretary (Finance)- Member Secretary (MEA) − Member Secretary (Law) − Member Secretary (DPE) − Member Secretary(Planning Commission)- Member
In addition to this, there is a Monitoring Committee for projects of ONGC Videsh Ltd. (OVL) comprising representatives of Ministries of Petroleum & Natural Gas, External Affairs, Deptt. of Expenditure, Deptt. of Public Enterprises, Planning Commission.
Award of oil & Gas blocks in Latin America, Africa and other countries is based on International competitive bidding system. Accordingly, Indian companies bid based on their assessment of prospectivity and commercial consideration. The existing institutional mechanism has helped in procuring equity oil abroad in more then 20 countries by Indian companies.